



INSIGHTS

108th Congress

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www.eere.energy.gov/femp/resources/insights.html.*

Weekly Summary

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INSIGHTS is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of ***INSIGHTS*** is to provide FEMP management staff with timely information on legislative activities relevant to the program. ***INSIGHTS*** is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

I. WEEKLY SUMMARY

CONGRESSIONAL SCHEDULE

Activities of interest scheduled for this week are highlighted below.

HOUSE

- Various subcommittees of the Committee on Appropriations will hold hearings on the FY 2005 Budget Request for the Departments of Energy, Defense, and Veterans' Affairs and the General Services Administration.
- Committee on the Budget will meet on the FY 2005 Budget Resolution.

SENATE

- Various subcommittees of the Committee on Appropriations will hold hearings on the FY 2005 Budget Request for the Department of Transportation and the U.S. Forest Service.

COMPREHENSIVE ENERGY LEGISLATION – UPDATE

Last week, Joe Barton (R/TX) the newly selected Chair of the House Committee on Energy and Commerce reiterated the House Republican Leadership position on the recently introduced Senate energy bill, *S. 2095*. Chairman Barton said the House will reject a bill that deletes the provision to protect from liability, manufacturers of the fuel additive MTBE. In addition, he said, "If the price of the bill is to say MTBE doesn't have a safe harbor, then there won't be a bill." He continues to urge the Senate to pass the Conference Report for *H.R. 6 – Energy Policy Act of 2003*, which the House passed last year. Meanwhile, the Administration has not released a statement regarding its position on MTBE, but also continues to urge passage of comprehensive energy legislation.

The Senate Republican Leadership, mainly Majority Leader Bill Frist (R/TN) and the Chairman of the Committee on Energy and Natural Resources, Pete Domenici (R/NM), plan to hold a debate on *S. 2095* once the leadership determines they have the 60 votes required to pass the bill. The recent projection for debate was mid-March and has since been pushed back to the end of the month. [One reason for the delay is that Senate Republican and Democratic leaders are still negotiating the number of amendments that can be attached to the bill; the Republican Leadership wants to limit the number. Reportedly, Democrats may have up to 300 amendments to propose, including one dealing with the renewable portfolio standard directing utilities to produce a specified amount of power from renewable resources.](#) Tom Daschle (D/ND) has said that there are 60 votes to pass the bill and has urged the Senate to move forward with floor consideration; however, he opposes a limit on the number of amendments that can be attached to the bill.

In addition, Chuck Grassley (R/IA), Chair of the Senate Committee on Finance took steps to address the tax incentive portion of comprehensive energy legislation. Because so many tax credits have expired, he has added an amendment to a pending corporate tax bill to support extension of credits for the renewable energy production tax credit.

FY 2005 BUDGET RESOLUTION

Both the House and Senate have begun work on the non-binding FY 2005 Budget Resolution, which establishes funding levels for the fiscal year. Last week, the Senate settled on a cap of \$814 billion, as established in *S. Con. Res. 95*. This week, the Senate will consider the funding cap on the floor, in which the Democrats are expected to introduce a number of amendments. If approved, this figure would be used by Ted Stevens (R/AK), Chair of the Committee on Appropriations to establish funding caps or 302(b) allocations for the 13 appropriations subcommittees. Each subcommittee chair will then determine how to carve the 302(b) allocation for his or her subcommittee. The same process is performed in the House. This week, the House Committee on the Budget will begin marking up their version of the FY 2005 Budget Resolution and may put the resolution before the full House next week. Committee Chair Jim Nussle (R/IA) appears determined to reduce the Federal deficit through the budget-making process. It has been reported that he would like to include in the House resolution a ban on “ear marks” for the FY 2005 budget; however, the level of support for such an action is not yet clear. . The House and Senate have targeted April 2 for completion of the FY 2005 Budget Resolution, enabling members to complete work in advance of the April 15 budget resolution deadline and the two-week Congressional spring recess. For FY 2004, discretionary spending totaled \$784 billion.

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II. COMMITTEE ACTIVITY

HOUSE

Legislation

Federal Funding for Science Programs On March 4, the Committee on Science released a new 14-page analysis, which reveals the committee’s “views and estimates” regarding the President’s FY 2005 budget Request for funding Federal science programs. In the report, the committee provides, in part, the following comments:

As the House and Senate begin consideration of the President’s Fiscal Year 2005 budget request, there is no question that a great deal of debate will revolve around the budget deficit and its impact on the long-term economic health of the Nation. As these discussions move forward, the Science Committee urges Congress to recognize the importance of science and technology to productivity and economic growth – and consequently – fiscal security.

RECOMMENDATIONS FOR AGENCIES – SUBCOMMITTEE ON ENERGY

Energy Supply R&D

The Committee is concerned that R&D related to energy efficiency and alternative sources of energy is under funded, especially at a time of higher fuel prices. Energy efficiency and renewable research has been reduced by 1.3 percent since FY 01).

The Committee supports the President’s initiative calling for America to lead the world in developing hydrogen-powered automobiles and the necessary fueling infrastructure to

support them, although many details have not yet been determined. The Committee is pleased that the Administration has requested \$228 million for hydrogen technology programs, a 28 percent increase over FY 04 enacted levels.

The Committee is concerned however, that the proposed increases in hydrogen programs come at the expense of much of the rest of the R&D funded by DOE's Energy Efficiency and Renewable Energy account. For example, biomass R&D, which is crucial to increasing our energy independence while helping American farmers, receives a significant cut.

To view the analysis in full, go to www.house.gov/science/press/108/views05.pdf.

Refer to [Section III. New Legislation](#).

Summary of Hearings

FY 2005 Budget Request for the U.S. Forest Service On March 3, members of the Subcommittee on Interior and Related Agencies (Committee on Appropriations) heard from Dale Bosworth, Chief, U.S. Forest Service on the \$4.9 billion FY 2005 U.S. Forest Service budget request. Mr. Bosworth told subcommittee members that the budget will cover improvements to the Forest Legacy Program, Land Acquisition Program, and the Capital Improvement and Maintenance Program. The program improvements are based on program reviews and recommendations by the Office of Management and Budget (OMB). OMB recommended that these "programs include the development of long-term measures that focus on outcomes, development of efficiency measures that assess the cost on a unit basis, and completion of program analysis to help focus program objectives and management." Mr. Bosworth noted that several bills have been introduced to assist the Forest Service in carrying out its funding objectives. One bill would establish a Facilities Acquisition and Enhancement Fund to authorize the Forest Service to sell off unused land and use the profit toward infrastructure improvements. Another bill would establish permanent authority for the Recreational Fee Demonstration Program to help pay for park improvements.

FY 2005 Budget Request for the Department of Homeland Security On March 4, Tom Ridge, Secretary of the Department of Homeland Security (DHS), addressed members of the Subcommittee on Homeland Security (Committee on Appropriations) regarding the FY 2005 Budget Request for DHS. The \$40.2 billion request, which represents a \$3.6 billion increase over the FY 2004 budget, includes increased funding for new and expanded programs in border, port, and transportation security, immigration enforcement and services, biodefense, incident preparedness and response, among other initiatives. The budget includes an increase of \$45.1 million from the previous year's budget to expand the DHS Nebraska Avenue Complex (NAC) facility in Washington, D.C. "These resources will enable DHS to perform tenant improvements to the facility and relocate U.S. Navy operations, pursuant to congressional authorization, from the NAC to leased facilities."

FY 2005 Defense Authorization (focus: Military Construction Budget Request for the Programs of the Department of the Army and the Department of the Navy) On March 4, members of the Subcommittee on Readiness (Committee on Armed Services) heard from a panel of representatives from the Department of Defense (DOD).

Joint testimony was prepared and delivered by Army representatives Geoffrey Prosch, Acting Assistant Secretary, Installations and Environment; Larry Lust, Assistant Chief of Staff for Installation Management; Walter Pudlowski, Special Assistant to the Director, Army National Guard; and Gary

Profit, Deputy Chief, Army Reserve. The \$3.7 billion request for military construction appropriations and new authorizations includes the following:

- New barracks, invest in training ranges and land, recapitalize existing facilities, support three combat teams in Alaska, Hawaii, and Louisiana; and funds for planning and design for future projects, along with a number of unspecified minor military construction projects - \$1.770 billion
- Army National Guard Military Construction Program - \$265.657 million
- Army Reserve's Military Construction Program - \$87.070 million
- Army Family Housing - \$636.009 million
- Army Family Housing Operations - \$928.900 million (including \$402 million for maintenance and repair projects)
- Prior BRAC (Base Realignment and Closure) projects - \$100.3 million (includes \$8.3 million to care for remaining properties and \$92.0 million for environmental restoration)

Operations and Maintenance funds include:

- Sustainment, Restoration, and Modernization - \$2.54 billion
- Base Operations Support - \$6.57 billion

Joint testimony was also prepared and delivered by the following Navy representatives: H. T. Johnson, Assistant Secretary, Installations and Environment; Christopher Weaver, Commander, Navy Installations; and Willie Williams, U.S. Marine Corps, Assistant Deputy Commandant, Installations and Logistics (Facilities), Commandant of the Marine Corps.

To consolidate and streamline the management and resources for shore installations, the Navy established, in October 2003, a new office of Commander of Navy Installations. The purpose of the new office is to provide the Navy with "top-level assessment of capabilities and risks" for guiding strategic objectives. The Navy has also established an Infrastructure Evaluation Group to best practice recommendations for Base Realignment and Closure of Navy installations.

SENATE

Legislation

No new bills of interest have been introduced.

Summary of Hearings

FY 2005 Budget Request for the Office of Energy Efficiency and Renewable Energy (EERE) On March 3, David Garman, Assistant Secretary for Energy Efficiency and Renewable Energy (EERE), presented the FY 2005 EERE budget request to the Subcommittee on Energy and Water Development (Committee on Appropriations). The subcommittee has jurisdiction over DOE's renewable energy

program within the Office of EERE. The FY 2005 request for the program includes:

- DOE's Department Energy Management Program (DEMP) - \$1.97 million (DEMP funds programs to improve energy and water efficiency, promote renewable energy use, and manage utility costs at 11,000 DOE owned and leased located throughout the U.S. Specific program activities include the use of appropriations and alternative financing to support energy-saving facility audits, identification of best practices project opportunities, and energy conservation retrofits in DOE facilities)
- Hydrogen Technology -\$95.3 million
- Solar Technology - \$80.3 million
- Wind Energy - \$41.6 million

FY 2005 Defense Authorization bill On March 2, members of the Committee on Armed Services received testimony from Les Brownlee, Acting Secretary, U.S. Army; Gordon England, Secretary, U.S. Navy; and James Roche, Secretary, U.S. Air Force. Their testimony focused on current initiatives designed to enhance facility operations. Mr. Brownlee told members that in order to improve facilities that had previously "adversely affect[ed] mission and training requirements," **the Army has established the Installation Management Agency and the Installation Sustainability Plan, to ensure that each facility assists in the modernization of barracks and housing and promotes the divestiture of redundant facilities infrastructure and non-core utility systems through privatization.** Mr. Brownlee's statement reads: "We have made progress in improving our installations by adjusting existing programs and developing new management strategies." Mr. England noted that in FY 2005, the Navy will focus on BRAC initiatives that "give us the opportunity to transform our infrastructure consistent with the significant changes that are, and will be, happening with the transformation of our force structure." He also told committee members that the Navy has worked to implement several programs that will result in better business practices and streamline resource procurement.

FY 2005 Budget Request for the Department of Interior and Related Agencies (focus: funding for Department of Energy (DOE)) On March 4, members of the Subcommittee on Interior and Related Agencies (Committee on Appropriations) received testimony from DOE Secretary Spencer Abraham regarding the President's FY 2005 budget request of \$875.9 million for the Department's energy conservation program, which includes the following programs of interest:

- \$17.9 million for the Federal Energy Management Program (FEMP).

In his remarks, Secretary Abraham included the following comments about FEMP:

The federal government is the nation's single largest energy consumer. It uses approximately one quadrillion Btu of energy annually, or about 1 percent of the nation's energy use. Simply by using existing energy efficiency and renewable energy technologies and techniques, the federal government can set an example and lead the nation toward becoming a cleaner, more efficient energy consumer. FEMP alternative financing programs help federal agencies access private sector financing to fund energy improvements through Energy Savings Performance Contracts and utility energy service contracts at no net cost to taxpayers. FEMP also provides technical assistance to federal energy managers so they can identify, design, and implement new construction and facility improvement projects in areas such as energy and water audits for buildings and

industrial facilities, peak load management, and new technology deployment, including combined heat and power and distributed energy technologies.

- Building Technologies Program - \$58.3 million
- Industrial Technologies Program - \$58.1 million
- Distributed Energy Resources Program - \$53.1 million
- Biomass Program - \$8.7 million
- Vehicle Technologies Program - \$156.7 million
- Fuel Cell Technology Program - \$77.5 million
- Weatherization Assistance Program - \$364 million (includes \$40.8 million for State Energy Program grants; \$2.4 million for State Energy Activities, and \$29.7 million for Gateway Deployment)
- Program Management - \$81.7 million (funds activities to redirect the execution of project management activities from national laboratories to Federal staff)

FY 2005 Budget Request for the U.S. Forest Service On March 3, members of the Committee on Energy and Natural Resources received testimony regarding the FY 2005 Budget Request for the U.S. Forest Service from Dale Bosworth, Chief, U.S. Forest Service. A summary of Mr. Bosworth's comments are included above under the House "Summary of Hearings" section.

Energy Information Administration (EIA) Annual Energy Outlook 2004 Forecast On March 4, members of the Committee on Energy and Natural Resources heard from Guy Caruso, Administrator of DOE's Energy Information Administration as well as from various industry representatives regarding supply, demand, and price projections for oil, natural gas, renewable resources, nuclear energy, and coal. According to Mr. Caruso, EIA expects that in the short term, crude oil prices will keep gasoline prices around \$1.57 per gallon in 2004; natural gas spot prices, which averaged \$3.23 in 2002 and rose more than 70 percent in 2003, are expected to maintain the 2003 level through 2005; and retail electric rates may be several percentage points higher this winter due to higher fuel costs. EIA's long term energy outlook reveals that U.S. natural gas supplies will become increasingly dependent on unconventional production, Alaskan natural gas reserves, and imports of liquefied natural gas.

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III. NEW LEGISLATION

(Note: Once a new bill is introduced, the Government Printing Office generally requires from several days to one week to make the bill available in print)

HOUSE

Number	Short title	Date	Sponsor	Status
H. R. 3898	No Short Title	3/4/04	Anibal Acevedo-Vila (D/PR)	Referred to Committee on Veterans' Affairs
	Authorizes construction of a new (replacement) medical center for the Department of Veterans Affairs in the Commonwealth of Puerto Rico. Authorization amount not to exceed \$450 million.			

SENATE

No new legislation of interest to report.

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IV. ADMINISTRATION INITIATIVES

No new initiatives of interest to report.

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V. HEARINGS SCHEDULE

HOUSE – COMMITTEE ON APPROPRIATIONS

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
March 10 – Subcommittee on Veterans Affairs and Housing and Urban Development, and Independent Agencies	James Walsh (R/NY)	Hearing – FY 2005 Budget Request for the Department of Veterans' Affairs	TBA	10:00 a.m. Room H-140 Capitol

(NEW)

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
March 10 – Subcommittee on Transportation and Treasury, and Independent Agencies	Ernest Istook (R/OK)	Hearing – FY 2005 Budget Request for the General Services Administration	Administrator Stephen Perry, General Services Administration	10:00 a.m. Room 2358 Rayburn Office Building
(NEW)				
March 10 – Subcommittee on Defense	Jerry Lewis (R/CA)	Hearing – FY 2005 Budget Request for the Army	TBA	10:00 a.m. Room 2212 Rayburn Office Building
(NEW)				
March 11 – Subcommittee on Energy and Water Development	David Hobson (R/OH)	Hearing – FY 2005 Budget Request for the Department of Energy	Spencer Abraham, Secretary, Department of Energy	10:00 a.m. Room 2362B Rayburn Office Building
(NEW)				
March 17 – Subcommittee on Energy and Water Development	David Hobson (R/OH)	Hearing – FY 2005 Budget Request for the Department of Energy (Offices of Energy Efficiency and Renewable Energy, Science, and Nuclear Energy),	TBA	10:00 a.m. Room 2362B Rayburn Office Building
March 17 – Subcommittee on Military Construction	Joe Knollenberg (R/MI)	Hearing – FY 2005 Budget Request for the Army	Peter Schoomaker, Chief of Staff, U.S. Army Geoffrey Prosch, Acting Assistant Secretary of the Army for Installations and Environment, U.S. Army	9:30 a.m. Room B-300 Rayburn Office Building
(NEW)				
March 18 – Subcommittee on Military Construction	Joe Knollenberg (R/MI)	Hearing – FY 2005 Budget Request for the Air Force	John Jumper, Chief of Staff, U.S. Air Force Nelson Gibbs, Assistant Secretary of the Air Force for Installations, Environment and Logistics, U.S. Air Force	9:30 a.m. Room B-300 Rayburn Office Building

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
March 31 – Subcommittee on Interior and Related Agencies	Charles Taylor (R/NC)	Hearing – FY 2005 Budget Request for the National Park Service	TBA	10:00 a.m. Room B-308 Rayburn Office Building

HOUSE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
March 10 – Committee on the Budget	Don Nickles (R/OK)	Mark up – FY 2005 Budget Resolution	N/A	Time TBA Room 210 Cannon Office Building

(NEW)

SENATE – COMMITTEE ON APPROPRIATIONS

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
March 9 – Subcommittee on Transportation, Treasury and General Government	Richard Shelby (R/AL)	Hearing – FY 2005 Budget Request for the Department of Transportation (focus: Budget and Management Challenges)	Norman Mineta, Secretary, Department of Transportation	10:00 a.m. Room 138 Dirksen Office Building

(NEW)

March 10 – Subcommittee on Interior and Related Agencies	Conrad Burns (R/MT)	Hearing – FY 2005 Budget Request for the U.S. Forest Service	Dale Bosworth, Chief, USDA Forest Service, Mark Rey, Under Secretary, Natural Resources and Environment Hank Kashdan, Director of Program and Budget Analysis, USDA Forest Service	9:30 a.m. Room 124 Dirksen Office Building
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(NEW)

SENATE – AUTHORIZATIONS/OVERSIGHT

No hearings of interest have been scheduled.

CONFERENCE COMMITTEE NEGOTIATIONS AND FLOOR VOTES

No conference committee negotiations or floor votes of interest have been scheduled.

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